

August 21, 2019

Ministry of Municipal Affairs and Housing  
Municipal Finance Policy Branch  
13th Floor, 777 Bay Street  
Toronto, ON  
M5G 2E5

Attention: Mr. John Ballantine  
Manager

**Re: Proposed changes to O. Reg. 82/98 under the Development Charges Act  
related to Schedule 3 of Bill 108 - More Homes, More Choice Act, 2019  
ERO 019-0184**

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Dear Mr. Ballantine:

On behalf of our Client, the Township of Havelock-Belmont-Methuen, we submit herein comments in respect of the proposal as referenced above, being ERO 019-0184.

A report to Council on August 12, 2019 served to summarize the proposal as currently understood, together with providing comments on the proposed content of the new regulation.

As passed by resolution of Council, Staff have been directed to provide a copy of the report to the Ministry, representing the Council of the Township of Havelock-Belmont-Methuen's comments on the proposed regulatory changes.

In addition to the comments contained therein, Council of the Township of Havelock-Belmont-Methuen wish to emphasize the request that longer comment periods be provided for future proposals posted on the Environmental Registry of Ontario. Providing additional time will ensure that Staff are given adequate time to both review proposals and prepare reports for Council review; serving to strengthen the public consultation process.

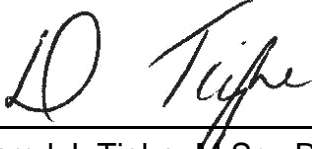
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Thank you.

Sincerely,

**LANDMARK ASSOCIATES LIMITED**



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Darryl J. Tighe, M.Sc., RPP,  
Municipal Planning Consultant

Enclosure  
asd

cc: Township of Havelock-Belmont-Methuen - Client



# TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

To: The Mayor and Members of Council

Prepared By: Amanda Dougherty, Planner

Approved By: Darryl Tighe, Township Planning Consultant

Meeting Date: August 12, 2019

Subject: Amendments to the *Development Charges Act* and the *Planning Act* (Bill 108 – More Homes, More Choice, 2019)

## **PURPOSE and EFFECT:**

**The purpose of this report is to provide a summary to Council in respect of proposed regulatory changes under the *Development Charges Act* and the *Planning Act* resulting from Bill 108 – More Homes, More Choice, 2019.**

## **RECOMMENDATION:**

1. That Council receives the report regarding *Amendments to the Development Charges Act and Planning Act (Bill 108 – More Homes, More Choice, 2019)* for information; and
2. That Council direct Staff to provide a copy of the report to the Province, representing the Council of the Township of Havelock-Belmont-Methuen's comments on the proposed regulatory changes.

## **BACKGROUND:**

On June 6<sup>th</sup>, 2019, *Bill 108 – More Homes, More Choice* received Royal Assent. Currently no proclamation date has been issued, and as such the amendments of Bill 108 are not fully in effect. To date, Council has received reports outlining the proposed

amendments to each the *Conservation Authorities, Local Planning Appeal Tribunal and Planning Acts*; together with certain of the corresponding proposed Ontario regulations.

As directed by Council at the July 15<sup>th</sup> meeting, the following will serve to review changes to the *Development Charges Act* and related changes to the *Planning Act*. Comments are being received for each of these postings until August 21<sup>st</sup> on the Environmental Registry of Ontario (ERO).

*The Development Charges Act (O. Reg 82/98)*

Amendments to the *Development Charges Act* which reduces the Development Charges (DC) that a municipality can collect, necessitates revisions to the existing Ontario Regulation 82/98. Under Bill 108 services which can be collected for via a DC by-law would be restricted to the following:

- Water supply services (including distribution and treatment)
- Wastewater services (including sewers and treatment)
- Storm water drainage and control services
- Electrical power services
- Services related to a highway
- Fire and police protection
- Transit services
- Waste diversion services

ERO Posting #19-0184 proposes that municipalities with a current DC by-law, must transition into a Community Benefits Charge (CBC) by-law no later than January 1<sup>st</sup>, 2021, in order to keep collecting fees for any soft services (e.g. parks, recreation, libraries, daycare facilities).

The amount of DC payable by a property owner or developer would be determined at the time an application (e.g. site plan or rezoning) is received by Council; and would then freeze for 2 years from the time an application is approved. Further, property owners would be able to postpone paying DC for certain types of development (e.g. rental (4+ units) and non-profit housing, commercial, industrial and institutional development) until the time of occupancy and could further arrange for installed payments. However, municipalities would be permitted to charge interest.

The proposed regulatory changes will also prevent DC from being applied to a second dwelling unit either within an existing principle dwelling or ancillary building.

### *The Planning Act*

As discussed in our report of July 15<sup>th</sup>, Section 37 (Increased density, etc., provision by-law) of the *Planning Act* will be replaced in its entirety. The alternative legislation introduces the Community Benefits Charge (CBC). The CBC is intended to allow municipalities to collect funds for parks, libraries, daycare facilities and other similar purposes which will no longer be eligible services under a DC by-law.

ERO Posting #19-0183 outlines the proposed content of a new regulation under the *Planning Act* which will prescribe the matters in respect of the CBC.

Cultural, entertainment or tourism facilities, hospitals, landfills, facilities for thermal treatment of waste and municipal administrative offices cannot be included in the CBC. However, this list is reflective of those services already ineligible under the *Development Charges Act*.

To calculate the amount of CBC payable by a property owner, the proposed regulation will include a formula, which will be applied at the time of application. The CBC formula will reportedly include a range of percentages to implement and be based in part on the value of the land as assessed on the day an application for development is submitted to a municipality. Currently the *Development Charges Act* prescribes that only 90% of the anticipated cost of soft services can be recovered through collecting fees; however, under Bill 108 a CBC by-law can recover 100% of the anticipated costs.

If an owner disagrees with the assessed value of land, they are provided 30 days to submit their own appraisal. If the municipality disagrees with the owner's appraisal, 45 days is provided to the municipality to seek their own appraisal. Should the two resulting appraisals differ by greater than 5% a third appraisal would be conducted. The owner would choose the appraiser; however, it must be from an approved list maintained by the municipality.

For those municipalities opting to pass a CBC by-law, it is proposed that annual reporting requirements will be prescribed, similar to those already implemented for DC. The reporting is intended to ensure that CBC are spent on community benefits.

Certain types of development will be exempt from paying CBC inclusive of long-term care and retirement facilities, post-secondary education institutions, hospices and non-profit housing.

Municipalities which do not collect a CBC will be permitted to continue using the parkland provisions currently prescribed under the *Planning Act*. However, a new annual reporting requirement will be prescribed for those municipalities collecting fees for parkland.

## **COMMENTS:**

It is anticipated that the County of Peterborough's DC by-law 2017-19 will undergo amendments. Currently the County's by-law includes charges for long term care, social services and administration which based on our review will need to be converted to a CBC by-law in the future.

Currently the Township of Havelock-Belmont-Methuen does not have an enacted DC by-law. However, as DC are currently implemented by the County of Peterborough, these amendments will nonetheless have an impact on Township residents. It is therefore discouraging that assessing the impact, financial or otherwise, of these amendments cannot be fully realized due to the lack of information provided to date. As a result, despite the pending transition deadline (January 1, 2021), municipalities are left with several questions. A transitional period to 2022 would be a more adequate amount of time for Council's to consider and otherwise implement any necessary revised or new by-laws.

Specifics regarding the percentages for calculating CBC have not been released, so it is currently unclear whether they will vary by region or types of land use. It is anticipated that further regulations, inclusive of the formula, will be made available this Fall.

There is concern that the formula will not account for geographical differences in the value of land. Regionally property values may vary greatly (e.g. Greater Toronto Area (GTA) vs. Peterborough County), however the discrepancy between construction costs or other costs associated with implementing or maintaining services will not be as widely variable. Outer ring municipalities may therefore struggle to provide an adequate level of services. The formula and range of percentages presented by the Province should ensure consideration of these factors.

As the CBC will be based on the value of land, fluctuations in the market are anticipated to impact the fees which may be collected by a municipality. As changes to the market can be unpredictable, this may create challenges to Staff in terms of adequately planning for future services.

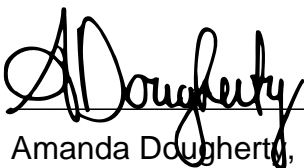
Further, freezing the rate of a DC for 2 years, as well as calculating the CBC at the time of application, may create a discrepancy between the fee collected and the actual cost of services. In some cases, years may pass from the time of planning approvals to the point of issuing a building permit. While the freeze/delay of payment, together with permitting paid installments will likely have a positive impact to the development community, it would be more appropriate to calculate the fee at the time of building permit rather than at the time of application.

To date the amount of time provided to municipalities for submitting comment in respect of the on-going changes has not been adequate. We would request that the Province ensure proper engagement with municipalities at such time as the new regulations become available, and to provide adequate time for review, consultation and comment prior to those regulations being approved.


Should Council direct, this report can be submitted to the Environmental Registry of Ontario for official comment.

All of which is respectfully submitted for Council's consideration and hopeful assistance.

Submitted by:



Amanda Dougherty, B.A,  
Planner  
Landmark Associates Limited



Darryl J. Tighe, M.Sc., RPP,  
Director of Planning  
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